

NEVADA PREPAID TUITION PROGRAM
ACTUARIAL VALUATION REPORT
AS OF JUNE 30, 2013



October 9, 2013

Board of Trustees of the College Savings Plans of Nevada
Office of the State Treasurer
555 E. Washington Ave.
Suite 4600
Las Vegas, NV 89101

Attention: Ms. Sheila A. Salehian, Senior Deputy Treasurer

Re: Nevada Prepaid Tuition Program Actuarial Valuation as of June 30, 2013

Dear Trustees:

Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial valuation of the Nevada Prepaid Tuition Program (the "Program") as of June 30, 2013. The purpose of this actuarial valuation is to evaluate the financial status of the program as of June 30, 2013.

This report presents the principal results of the actuarial valuation of the Program including the following:

- A comparison of the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2013, with the value of the assets associated with the program as of that same date;
- An analysis of the factors which caused the deficit/surplus to change since the prior actuarial valuation; and
- A summary of the actuarial assumptions and methods utilized in the actuarial calculations.

This report was prepared at the request of the Program's Board and is intended for use by the Program's Board and those designated or approved by the Program's Board. This report may be provided to parties other than the Program's Board only in its entirety and only with the permission of the Program's Board. This report should not be relied on for any purpose other than the purpose described above.

The valuation results set forth in this report are based upon data and information, furnished by the Program, concerning Program benefits, financial transactions, and beneficiaries of the Program. We reviewed this information for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Program. Further, the data and information provided is through June 30, 2013, and does not reflect subsequent market changes.

There are currently no Actuarial Standards of Practice that specifically refer to prepaid tuition plans. We have followed the guidance from the Actuarial Standards of Practice on pensions due to its similar nature.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The major actuarial assumptions used in this analysis were adopted by and are the responsibility of the Program and the Program's Board. We have not performed a detailed experience study but have performed some limited analyses on the assumptions. Based on our limited analyses, we believe these assumptions are within a reasonable range and are in compliance with actuarial standards regarding pension calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law. We have performed an analysis of the sensitivity of certain changes in future assumptions.

We believe that the actuarial methods used in this report are reasonable and appropriate for the purpose for which they have been used. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

This report is not a recommendation to anyone to participate in the Program. GRS makes no representations or warranties to any person participating in or considering participation in the Program. Current and future participants should be aware that the promises of the Program will only be met if the assets of the Program are sufficient to pay its obligations.

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Nevada Prepaid Tuition Program as of June 30, 2013.

The term “sound” or “actuarially sound” is not explicitly defined in the actuarial standards. To the extent it is used in this report, it refers to the situation where either:

- (1) assets meet or exceed liabilities on the valuation date; or
- (2) assets are expected to meet or exceed liabilities at a future date based on the measurements on the valuation date and the expected future revenue based on the Program’s funding policy.

David Kausch is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

GRS is independent of the plan sponsor.

Respectfully submitted,



Kenneth G. Alberts



David T. Kausch, FSA, EA, FCA, MAAA

KGa/DTK:jrs

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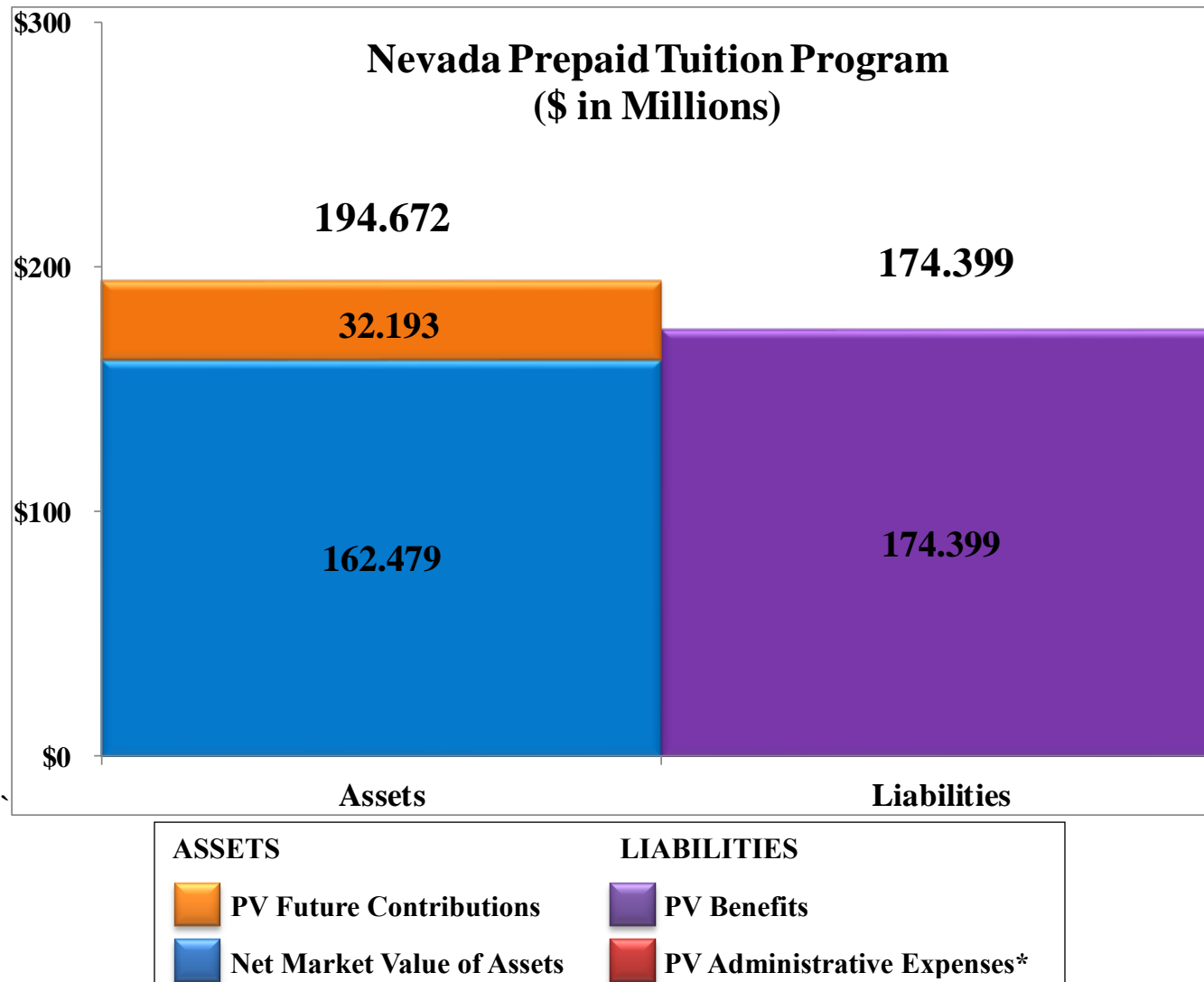
SECTION A
EXECUTIVE SUMMARY

SUMMARY OF RESULTS

Principal Valuation Results

| Valuation Date: | June 30, 2013 |
|--|--------------------|
| Membership Summary: | |
| Counts | |
| Contract Payments in Progress | 3,180 |
| Contract Payments Fully Paid | 4,890 |
| Delinquent in Contract Payments | 333 |
| Benefit Payments in Progress | 2,213 |
| Deferred Benefits | 235 |
| Total | 10,851 |
| Average Years until Expected Enrollment if not yet in Payment Status | 7.7 |
| Assets | |
| • Net Market Value of Assets | \$ 162,478,679 |
| • Present Value of Future Contract Payments | \$ 32,192,694 |
| Total | \$ 194,671,373 |
| • Approximate Return on Assets for Year Ended June 30, 2013 | 10.50% |
| Actuarial Liabilities (Present Value of Future Tuition Payments, Refunds, Fees, and Administrative Expenses) | \$ 174,398,518 |
| Surplus/(Deficit) | \$ 20,272,855 |
| Funded Ratio | 111.6% |

SUMMARY OF ASSETS AND LIABILITIES AS OF JUNE 30, 2013



**Present Value of Administrative Expenses is shown as zero assuming administrative expenses are paid from the College Savings Endowment Fund.*

FUNDED STATUS AS OF JUNE 30, 2013

| | June 30, 2013 |
|--|---------------|
| Actuarial Present Value of Future Tuition Payments, Fees and Expenses | \$174,398,518 |
| Market Value of Assets (Including the Present Value of Installment Contract Receivables) | \$194,671,373 |
| Surplus/(Deficit) as of June 30, 2013 | \$ 20,272,855 |

GAIN/(LOSS) SUMMARY

| | Surplus/(Deficit) |
|---|-------------------|
| (1.) Value at June 30, 2012 | \$ 7,240,867 |
| Contributions/Miscellaneous Income/Transfers | \$ 1,320,000 |
| Benefit Payments/Refunds/Admin Expenses | \$ - |
| (2.) Interest on (1.) at Assumed Rate from Previous Valuation | \$ 532,581 |
| (3.) New Enrollment Group | \$ 2,520,521 |
| (4.) Projected Value at June 30, 2013 [(1.) + (2.) + (3.)] | \$ 11,613,969 |
| (5.) Change Due to: | |
| a. Investment Experience | \$ 6,241,448 |
| b. Tuition/Fee Inflation and Other Experience | - |
| c. Change in Discount Rate | - |
| d. Change in Tuition Increase Assumption | - |
| e. Plan Experience During Fiscal Year 2013 | 2,417,438 |
| (6.) Total [(5.)a. + (5.)b. + (5.)c. + (5.)d. + (5.)e.] | \$ 8,658,886 |
| (7.) Actual Value at June 30, 2013 [(4.) + (6.)] | \$ 20,272,855 |

DISCUSSION

Actuarial Valuation

Gabriel, Roeder, Smith & Company (“GRS”) has performed an actuarial valuation of the Nevada Prepaid Tuition Program as of June 30, 2013.

The primary purposes of the actuarial valuation are to:

- Determine the actuarial present value of the obligations for prepaid tuition contracts purchased through June 30, 2013, and compare such liabilities with the value of the assets associated with the program as of that same date; and
- analyze the factors which caused the deficit/surplus to change since the prior actuarial valuation.

This report summarizes the results under the current assumptions and also presents the impact of variances in the rate of tuition and fee increases as well as the rate of investment return on assets.

In addition, the report provides summaries of the member data, financial data, plan provisions, and actuarial assumptions and methods.

The actuarial standards do not define the term “sound” or “actuarially sound.” For purposes of this report we are defining this term to mean the following:

- (1) Assets meet or exceed liabilities on the valuation date; or
- (2) assets are expected to meet or exceed liabilities at a future date based on the measurements on the valuation date and the expected future revenue based on the Program’s funding policy.

Under this definition, the Program is actuarially sound, based on the actuarial assumptions used in this valuation.

Financial Status of Program

As of June 30, 2013, the present value of all future tuition obligations under contracts outstanding (and including estimated future administrative expenses) at that date is \$174.4 million. Fund assets as of June 30, 2013, including the market value of program assets and the present value of installment contract receivables, are \$194.7 million.

The difference between the market value of assets of \$194.7 million and program obligations of \$174.4 million represents a program surplus of \$20.3 million. The comparable program surplus as of the last actuarial valuation as of June 30, 2012, was \$7.2 million.

Under the approved assumptions, the program is 111.6% funded and is expected to be able to pay benefits on behalf of all current contracts.

Gain/Loss Analysis

The program experienced an improvement in the funded status during the year ending June 30, 2013. This gain was a combination of:

- pricing that includes a small margin;
- \$1.3 million contribution from the Nevada College Savings Trust Fund (NCSTF);
- a market rate of return in excess of the expected 6.75%.

We understand that the Transfers from the NCSTF are continuing on an annual basis. However, that additional revenue was not included in the development of the funded status. If we recognized annual contributions from the NCSTF of \$1.8 million for each of the next 20 years, then the funded status would be 122.8% (see page G-8).

Benefit Provisions

We understand there were no changes in the Program provisions since the last actuarial valuation as of June 30, 2012.

Repayment from the Trust Fund

We understand that the Board has adopted a policy to repay the NCSTF \$5 million once the funded status of the Program reaches 120%. The \$5 million will not be adjusted with interest and will be paid over time based on the formula adopted by the Board. This repayment has not been included in the liabilities of the Program or the development of the funded status. The cash flow projections in Section G show that we estimate repayment to begin in 2020 under the valuation assumptions.

SECTION B
PLAN DESCRIPTION

SUMMARY OF PLAN DESCRIPTION EVALUATED JUNE 30, 2013

Purchasing Contracts – Contract holders may purchase contracts during an enrollment period for newborns to 9th graders. These contracts lock in the cost of tuition for the contract holder at the time of purchase. The holder may choose between a variety of school types and credit hours. Contracts available for purchase include the following:

- **University Plans**
 - 4-Year University (120 University Level Credit Hours)
 - 2-Year University (60 University Level Credit Hours)
 - 1-Year University (30 University Level Credit Hours)
- **Community College Plan**
 - 2-Year Community College (60 Community College Credit Hours)
- **University and Community College Plan**
 - 2-Year Community College & 2-Year University (60 Community College and 60 University Credit Hours)

Contract Payments – Contract holders may agree to pay their contracts off in a variety of ways:

- **Lump-Sum Payment** (Full Contract paid in full at time of enrollment to the Program)
- **5-Year Payments*** (60 monthly payments after purchase of contract)
- **Extended Payments*** (Monthly payments after purchase of contract for defined period up to and including the year of high school matriculation)

** Members may also elect monthly payment options with an additional Down Payment made at the time of enrollment to the Program.*

Tuition Payments – When the beneficiary matriculates, the portion of tuition covered by the Program will be dependent on the school of which they attend and the plan they purchase. The program will pay the tuition (also known as registration fees) for all public Universities or Community Colleges in the state. If the beneficiary elects to attend a private or out-of-state University or Community College the Program will pay out the maximum amount that it would have paid to a Nevada school under the matching contract that was purchased.

Refunds – If a contract purchaser elects to withdraw from the plan, the amount refunded will be equal to the sum amount the purchaser has paid to the plan less any fees and/or interest the account has accrued.

SECTION C

VALUATION RESULTS

PRINCIPAL VALUATION RESULTS AS OF JUNE 30, 2013

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|---------------------|
| 1 Number of Members | | |
| a. Contract Payments in Progress | 3,180 | 2,678 |
| b. Contract Payments Fully Paid | 4,890 | 5,092 |
| c. Delinquent in Contract Payments | 333 | 227 |
| d. Benefit Payments in Progress | 2,213 | 2,070 |
| e. Deferred Benefits | <u>235</u> | <u>203</u> |
| f. Total | 10,851 | 10,270 |
| Average Years until Enrollment if Not Yet In Payment Status | 7.7 | 6.7 |
| 2 Assets | | |
| a. Market Value of Assets (in Trust) | \$ 162,478,679 | \$ 141,815,711 * |
| b. PV Future Member Contributions | <u>32,192,694</u> | <u>24,521,512 *</u> |
| c. Total Market Value of Assets (MVA) | \$ 194,671,373 | \$ 166,337,223 * |
| 3 Actuarial Results | | |
| Liabilities - Tuition and Fees | \$ 174,398,518 | \$ 159,096,356 * |
| Liabilities - Present Value of Future Administrative Expenses | - | N/A |
| Liabilities Total | \$ 174,398,518 | \$ 159,096,356 * |
| Surplus/(Deficit) | \$ 20,272,855 | \$ 7,240,867 * |
| Funded Ratio | 111.6% | 104.6% * |

**Based on Prior Actuary's Report.*

PRINCIPAL VALUATION RESULTS AS OF JUNE 30, 2013 (CONCLUDED)

| | After Assumption Changes | |
|---|-----------------------------|-------------------|
| | 2013 | 2012 [#] |
| 1 Assets | | |
| a. Market Value of Assets (in Trust) | \$ 162,478,679 | \$ 141,815,711 |
| b. PVFMC* (Short Term) ^a | 7,282,815 | 5,265,613 |
| c. PVFMC* (Long Term) ^b | 24,909,879 | 19,255,899 |
| d. Total Market Value of Assets (MVA) | \$ 194,671,373 | \$ 166,337,223 |
| 2 Actuarial Present Value of Tuition, Refunds, Fees and Admin Expenses | | |
| a. Short Term ^a | \$ 14,451,947 | \$ 12,908,621 |
| b. Long Term ^b | 159,946,571 | 146,187,735 |
| c. Total | \$ 174,398,518 | \$ 159,096,356 |
| Surplus/(Deficit) | \$ 20,272,855 | \$ 7,240,867 |
| Funded Ratio | 111.6% | 104.6% |

[#] Based on prior Actuary's Report.

* Present Value of Future Member Contributions.

^a Present value of amounts in following year.

^b Present value of amounts after first year.

GAIN/(LOSS) SUMMARY

| | Present Value of Benefits | PV Future Member Contributions | Market Value of Assets | Surplus/(Deficit) |
|---|------------------------------|--------------------------------------|---------------------------|-------------------|
| (1.) Values at June 30, 2012 | \$ 159,096,356 | \$ 24,521,512 | \$ 141,815,711 | \$ 7,240,867 |
| (2.) Contributions/Miscellaneous Income | \$ - | \$ (12,395,796) | \$ 13,715,796 | \$ 1,320,000 |
| (3.) Benefit Payments/Refunds/Admin Expenses | \$ (8,953,830) | \$ - | \$ (8,953,830) | \$ - |
| (4.) Interest on (1.), (2.), and (3.) at Assumed Rate from Previous Valuation | \$ 10,441,747 | \$ 1,243,675 | \$ 9,730,653 | \$ 532,581 |
| (5.) New Enrollment Group | \$ 16,331,286 | \$ 18,851,807 | \$ - | \$ 2,520,521 |
| (6.) Projected Values at June 30, 2013 [(1.) + (2.) + (3.) + (4.) + (5.)] | \$ 176,915,559 | \$ 32,221,198 | \$ 156,308,330 | \$ 11,613,969 |
| (7.) Change Due to: | | | | |
| a. Investment Experience | \$ - | \$ - | \$ 6,241,448 | \$ 6,241,448 |
| b. Tuition/Fee Inflation and Other Experience | - | - | - | - |
| c. Change in Discount Rate | - | - | - | - |
| d. Change in Tuition Increase Assumption | - | - | - | - |
| e. Plan Experience* | (2,517,041) | (28,504) | (71,099) | 2,417,438 |
| (8.) Total [(5.)a. + (5.)b. + (5.)c. + (5.)d. + (5.)e.] | \$ (2,517,041) | \$ (28,504) | \$ 6,170,349 | \$ 8,658,886 |
| (9.) Actual Values at June 30, 2013 [(4.) + (6.)] | \$ 174,398,518 | \$ 32,192,694 | \$ 162,478,679 | \$ 20,272,855 |

*Plan Experience on Market Value of Assets reflects the differentiation in Market Value of Assets as provided by the Program.

SENSITIVITY TESTING RESULTS

The actuarial assumptions regarding future increases in tuition costs and fees and the future rate of investment return were adopted by the Nevada Prepaid Tuition Program. In our opinion, the assumptions prescribed to us are reasonable for the purpose of the measurement. However, no one knows with certainty what the future holds with respect to economic and other contingencies. For example, while it is assumed that the assets of the fund will earn 6.75% each year throughout the life of the contracts, actual returns are expected to vary from year to year. Therefore, we have projected the Program's results under alternative assumptions for future investment income and tuition increases, as follows:

1. Current valuation assumptions approved by the Program's Board (6.75% investment return, 6.0% long-term tuition increases for Universities and Community Colleges)
2. Tuition increases are 100 basis points higher/lower in each future year than assumed in this year's soundness valuation.
3. The investment return is 100 basis points higher/lower in each future year than assumed in this year's soundness valuation.
4. Tuition increases are 100 basis points higher and the investment return is 100 basis points lower in each future year than assumed in this year's soundness valuation.
5. Tuition increases are 100 basis points lower and the investment return is 100 basis points higher in each future year than assumed in this year's soundness valuation.

The summary of impact of each of these scenarios on the principal valuation results is presented on the following page. See Section G for detailed projection results of each scenario.

SENSITIVITY TESTING RESULTS (CONT.)

| | \$ in Millions | | | | | | |
|--|--|---|---|--|--|--|--|
| | | Assumed Tuition Increases +100 Basis Points | Assumed Tuition Increases -100 Basis Points | Assumed Investment Return +100 Basis Points | Assumed Investment Return -100 Basis Points | Assumed Tuition Increases +100 Basis Points and Investment Return -100 Basis Points | Assumed Tuition Increases -100 Basis Points and Investment Return +100 Basis Points |
| | Current Valuation Assumptions (G-1) | (G-2) | (G-3) | (G-4) | (G-5) | (G-6) | (G-7) |
| Assumed Investment Return | 6.75% | 6.75% | 6.75% | 7.75% | 5.75% | 5.75% | 7.75% |
| Assumed Long-Term Tuition Increases | 6.00% | 7.00% | 5.00% | 6.00% | 6.00% | 7.00% | 5.00% |
| Assets | | | | | | | |
| a. Market Value of Assets (in Trust) | \$162.5 | \$162.5 | \$162.5 | \$162.5 | \$162.5 | \$162.5 | \$162.5 |
| b. PV Future Member Contributions | 32.2 | 32.2 | 32.2 | 31.2 | 33.3 | 33.3 | 31.2 |
| c. Total Market Value of Assets (MVA) | \$194.7 | \$194.7 | \$194.7 | \$193.7 | \$195.8 | \$195.8 | \$193.7 |
| Actuarial Results | | | | | | | |
| Liabilities - Tuition and Fees | \$174.4 | \$181.1 | \$168.2 | \$163.8 | \$186.2 | \$193.7 | \$158.2 |
| Liabilities - PV of Future Admin. Expenses | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| Liabilities Total | \$174.4 | \$181.1 | \$168.2 | \$163.8 | \$186.2 | \$193.7 | \$158.2 |
| Surplus/(Deficit) | \$ 20.3 | \$ 13.6 | \$ 26.5 | \$ 29.9 | \$ 9.6 | \$ 2.1 | \$ 35.5 |
| Funded Ratio | 111.6% | 107.5% | 115.7% | 118.2% | 105.2% | 101.1% | 122.4% |
| Difference From Results based on Current Assumptions | | | | | | | |
| Surplus | \$ 0.0 | \$ (6.7) | \$ 6.2 | \$ 9.6 | \$(10.7) | \$(18.2) | \$ 15.2 |
| Funded Ratio | 0.0% | (4.1)% | 4.0% | 6.5% | (6.5)% | (10.6)% | 10.8% |

Numbers may not match schedules in Section G due to rounding.

SECTION D
FUND ASSETS

STATEMENT OF PLAN ASSETS (AT MARKET VALUE)

Nevada Prepaid Tuition Program

Statement of Plan Net Assets

Year ended June 30, 2013

| | | |
|---------------------------------------|----|---------------------------|
| 1. Cash and cash equivalents | \$ | 1,661,599 |
| 2. Investments | | |
| a. Fixed income | \$ | 67,102,574 |
| b. Property and equipment | | 98,768 |
| c. Equity mutual funds | | 93,503,405 |
| Total investments | \$ | <u>160,704,747</u> |
| 3. Receivables | \$ | 384,972 |
| 4. Liabilities | | |
| a. Accounts payable | \$ | \$259,350 |
| b. Accrued liability | | (688) |
| c. Other liability | | 13,977 |
| Total liabilities | \$ | <u>\$272,639</u> |
| 5. Net assets = (1) + (2) + (3) - (4) | \$ | <u><u>162,478,679</u></u> |

RECONCILIATION OF PLAN ASSETS

Nevada Prepaid Tuition Program
Statement of Changes in Plan Net Assets
Twelve Month Period ended June 30, 2013

| | |
|---|--------------------------------|
| 1. Value of Assets at Beginning of Year | \$ 141,815,711 |
| 2. Changes During Year | |
| a. Additions | |
| (1) Investment Income | \$ 16,206,029 |
| (2) Contract Payments | 12,256,996 |
| (3) Administration Fees | 138,800 |
| (4) Transfers from Endowment Account | 1,923,290 |
| Total Additions = (1) + (2) + (3) + (4) | <u>\$ 30,525,115</u> |
| b. Deductions | |
| (1) Tuition Payments | \$ 7,298,141 |
| (2) Refunds | 1,655,689 |
| (3) Administration Expenses | 603,290 |
| (4) Investment Expenses | 233,928 |
| Total Deductions = (1) + (2) | <u>\$ 9,791,048</u> |
| Net Increases (Decreases) During Year = a - b | <u>\$ 20,734,067</u> |
| 3. Value of Assets at End of Year = 1 + 2 | \$ 162,549,778 |
| 4. Purchased Interest | \$ (62,506) |
| 5. Net Value of Assets at End of Year = 3 + 4 | <u><u>\$ 162,487,272</u></u> * |

** Annual audit of assets for Fiscal Year 2013 not yet complete. Total Net Value of Assets may not match page D-1. Difference does not have a material effect on valuation results.*

SECTION E

PARTICIPANT DATA

MEMBER MATRICULATION SUMMARY AS OF JUNE 30, 2013

| Projected Enrollment Year | Type of Contract | | | | | Total | |
|---------------------------|------------------|------------|------------|--------------|------------------|---------------|-------|
| | 4 Yr. Univ | 2 Yr. Univ | 1 Yr. Univ | 2+2 | 2 Yr. Comm. Coll | | |
| 2001 | - | - | - | - | - | - | 0.00% |
| 2002 | 7 | - | - | 1 | - | 8 | 0.07% |
| 2003 | 21 | - | - | 5 | 2 | 28 | 0.26% |
| 2004 | 49 | - | - | 10 | 3 | 62 | 0.57% |
| 2005 | 69 | 2 | - | 6 | 2 | 79 | 0.73% |
| 2006 | 100 | 1 | - | 24 | 7 | 132 | 1.22% |
| 2007 | 117 | 3 | - | 32 | 6 | 158 | 1.46% |
| 2008 | 150 | 3 | - | 29 | 12 | 194 | 1.79% |
| 2009 | 251 | 7 | - | 48 | 10 | 316 | 2.91% |
| 2010 | 434 | 12 | - | 51 | 7 | 504 | 4.64% |
| 2011 | 451 | 15 | - | 64 | 20 | 550 | 5.07% |
| 2012 | 505 | 19 | - | 53 | 29 | 606 | 5.58% |
| 2013 | 520 | 22 | 1 | 51 | 26 | 620 | 5.71% |
| 2014 | 554 | 39 | 9 | 59 | 21 | 682 | 6.29% |
| 2015 | 551 | 34 | 6 | 59 | 40 | 690 | 6.36% |
| 2016 | 622 | 46 | 13 | 68 | 34 | 783 | 7.22% |
| 2017 | 557 | 54 | 3 | 78 | 40 | 732 | 6.75% |
| 2018 | 584 | 42 | 7 | 64 | 40 | 737 | 6.79% |
| 2019 | 501 | 40 | 8 | 56 | 30 | 635 | 5.85% |
| 2020 | 331 | 49 | 8 | 59 | 39 | 486 | 4.48% |
| 2021 | 345 | 49 | 11 | 44 | 43 | 492 | 4.53% |
| 2022 | 324 | 40 | 14 | 42 | 31 | 451 | 4.16% |
| 2023 | 249 | 30 | 8 | 39 | 23 | 349 | 3.22% |
| 2024 | 219 | 36 | 15 | 43 | 21 | 334 | 3.08% |
| 2025 | 189 | 27 | 9 | 31 | 25 | 281 | 2.59% |
| 2026 | 167 | 25 | 9 | 19 | 18 | 238 | 2.19% |
| 2027 | 138 | 23 | 5 | 21 | 9 | 196 | 1.81% |
| 2028 | 115 | 22 | 5 | 12 | 27 | 181 | 1.67% |
| 2029 | 112 | 20 | 10 | 11 | 9 | 162 | 1.49% |
| 2030 | 117 | 14 | 6 | 14 | 14 | 165 | 1.52% |
| Total | 8,349 | 674 | 147 | 1,093 | 588 | 10,851 | |
| | 76.94% | 6.21% | 1.35% | 10.07% | 5.42% | 100.00% | |

MEMBER PAYMENT OPTION SUMMARY AS OF JUNE 30, 2013

| Contract Payment Type | Type of Contract | | | | | Total |
|-----------------------|------------------|------------|------------|--------------|------------------|-----------------------|
| | 4 Yr. Univ | 2 Yr. Univ | 1 Yr. Univ | 2+2 | 2 Yr. Comm. Coll | |
| Lump Sum | \$ 2,874 | \$ 183 | \$ 53 | \$ 258 | \$ 131 | \$3,499 32.25% |
| 5-Year Payments | 3,032 | 203 | 61 | 353 | 208 | 3,857 35.55% |
| Extended Payments | 2,443 | 288 | 33 | 482 | 249 | 3,495 32.21% |
| Total | 8,349 | 674 | 147 | 1,093 | 588 | 10,851 |
| | 76.94% | 6.21% | 1.35% | 10.07% | 5.42% | 100.00% |

SECTION F

METHODS & ASSUMPTIONS

VALUATION METHODS AND ASSUMPTIONS

Assumed Rate of Return, Net of Investment Fees: 6.75%

Assumed Rate of Tuition Increases:

| Year | University | Community College |
|------------|------------|-------------------|
| 2014-2015 | 0% | 0% |
| 2015-2016 | 8% | 8% |
| 2016-2017 | 8% | 8% |
| 2017-2018 | 6% | 6% |
| 2018-2019+ | 6% | 6% |

Utilization of Credits* – Benefit payments are based on the following schedule in accordance with the type of Contract and the expected Payout Year.

| Type of Contract | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Sixth Year |
|---------------------|------------|-------------|------------|-------------|------------|------------|
| Four Year Contracts | 20% | 20% | 20% | 20% | 15% | 5% |
| Two Year Contracts | 40% | 40% | 15% | 5% | 0% | 0% |
| One Year Contracts | 100% | 0% | 0% | 0% | 0% | 0% |

* *Liabilities are modeled assuming two payments per year (one in mid-September, one in mid-February) for beneficiaries who have matriculated.*

Refunds: Accumulated contract payments to plan without interest. Withdrawal rates at the beginning of each year are based on the following schedule in accordance with the type of contract purchased.

| Years of Payment Since Purchase | Lump Sum | Five-Year Payments | Extended Payments |
|---------------------------------|----------|--------------------|-------------------|
| 1-3 | 0.50% | 3.00% | 5.00% |
| 4 | 0.50% | 1.25% | 3.50% |
| 5 | 0.50% | 1.20% | 2.00% |
| 6+ | 0.50% | 0.50% | 0.50% |

VALUATION METHODS AND ASSUMPTIONS (CONCLUDED)

| | |
|---|--|
| Election of Program Changes: | None. |
| Election of Change of Beneficiary: | None. |
| Liability Adjustments for Administrative Expenses: | None. Administrative expenses are paid from outside the trust. |
| Contract Terms: | No changes in contract terms are assumed, once initiated. |
| Pricing Methodology: | Based on Weighted Average Tuition (WAT) rate increased to assumed year of payment, based on tuition rate increase assumption and discounted to payment date based on net investment return assumption. |
| Timing of Tuition Payments#: | Once per year at beginning of year. |
| Timing of Refunds: | At the end of the month the member withdraws from the plan. |
| Weighted Average Tuition (WAT) for the year as of 6/30/2013: | |
| ○ 4-Year College: | \$5,745.00 |
| ○ 2-Year College: | \$2,535.00 |
| Bias Load: | None |

Note: Since all the covered in-state 4-year colleges and universities charge the same tuition and all the covered in-state two year colleges charge the same tuition, the WAT is simply the rate of tuition and fees. If the covered colleges and universities begin to charge different rates of tuition in the future, a WAT (averaging) calculation will be performed and a bias load may be necessary.

GRS models liabilities assuming two payments per year (one in the fall, one in the winter) for beneficiaries who have matriculated.

SECTION G

PROJECTION RESULTS

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 Valuation Results

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 6.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 6.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 174,398,518 |
| Present Value of Future Contract Payments | \$ 32,192,694 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (20,272,855) |
| Funded Status | 111.62% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Comm. Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 6.75% | n/a | n/a | 162,478,679 | 14,451,947 | - | - | 7,282,815 | 111.6% |
| 2015 | 6.75% | 0.00% | 0.00% | 165,792,942 | 15,143,864 | - | - | 6,202,683 | 112.7% |
| 2016 | 6.75% | 8.00% | 8.00% | 167,439,254 | 16,981,425 | - | - | 5,448,343 | 113.9% |
| 2017 | 6.75% | 8.00% | 8.00% | 166,429,839 | 18,700,482 | - | - | 4,571,805 | 115.5% |
| 2018 | 6.75% | 6.00% | 6.00% | 162,581,490 | 18,677,535 | - | - | 3,562,009 | 117.6% |
| 2019 | 6.75% | 6.00% | 6.00% | 157,419,916 | 18,337,161 | - | - | 2,431,337 | 120.1% |
| 2020 | 6.75% | 6.00% | 6.00% | 151,066,293 | 18,959,675 | 43,502 | - | 2,179,370 | 123.1% |
| 2021 | 6.75% | 6.00% | 6.00% | 143,303,854 | 18,494,382 | 2,456,694 | - | 1,873,197 | 127.0% |
| 2022 | 6.75% | 6.00% | 6.00% | 132,611,229 | 17,848,360 | 2,499,804 | - | 1,570,677 | 129.5% |
| 2023 | 6.75% | 6.00% | 6.00% | 121,517,519 | 16,861,262 | - | - | 1,302,682 | 132.6% |
| 2024 | 6.75% | 6.00% | 6.00% | 113,111,168 | 15,170,429 | - | - | 1,077,407 | 139.6% |
| 2025 | 6.75% | 6.00% | 6.00% | 105,701,871 | 13,792,021 | - | - | 850,309 | 148.5% |
| 2026 | 6.75% | 6.00% | 6.00% | 99,021,470 | 12,718,446 | - | - | 638,205 | 159.8% |
| 2027 | 6.75% | 6.00% | 6.00% | 92,809,762 | 11,737,761 | - | - | 488,272 | 174.9% |
| 2028 | 6.75% | 6.00% | 6.00% | 87,065,591 | 10,547,530 | - | - | 352,392 | 195.8% |
| 2029 | 6.75% | 6.00% | 6.00% | 82,059,209 | 9,493,768 | - | - | 234,502 | 225.3% |
| 2030 | 6.75% | 6.00% | 6.00% | 77,713,939 | 8,680,023 | - | - | 114,891 | 269.2% |
| 2031 | 6.75% | 6.00% | 6.00% | 73,816,351 | 7,978,949 | - | - | 13,539 | 341.8% |
| 2032 | 6.75% | 6.00% | 6.00% | 70,295,880 | 6,080,848 | - | - | - | 483.5% |
| 2033 | 6.75% | 6.00% | 6.00% | 68,549,546 | 4,435,672 | - | - | - | 759.2% |
| 2034 | 6.75% | 6.00% | 6.00% | 68,441,560 | 3,030,933 | - | - | - | 1395.8% |
| 2035 | 6.75% | 6.00% | 6.00% | 69,825,844 | 1,598,056 | - | - | - | 3493.4% |
| 2036 | 6.75% | 6.00% | 6.00% | 72,833,164 | 427,769 | - | - | - | 17026.3% |

* Beginning of year.

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 Tuition Increases +100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 6.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 6.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 181,074,311 |
| Present Value of Future Contract Payments | \$ 32,192,694 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (13,597,062) |
| Funded Status | 107.51% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 6.75% | n/a | n/a | 162,478,679 | 14,451,947 | - | - | 7,282,815 | 107.5% |
| 2015 | 6.75% | 0.00% | 0.00% | 165,792,942 | 15,143,864 | - | - | 6,202,683 | 108.2% |
| 2016 | 6.75% | 8.00% | 8.00% | 167,439,254 | 16,981,425 | - | - | 5,448,343 | 108.9% |
| 2017 | 6.75% | 8.00% | 8.00% | 166,429,839 | 18,700,482 | - | - | 4,571,805 | 109.9% |
| 2018 | 6.75% | 7.00% | 7.00% | 162,581,490 | 18,851,734 | - | - | 3,562,009 | 111.1% |
| 2019 | 6.75% | 7.00% | 7.00% | 157,233,958 | 18,682,832 | - | - | 2,431,337 | 112.6% |
| 2020 | 6.75% | 7.00% | 7.00% | 150,498,780 | 19,498,476 | - | - | 2,179,370 | 114.4% |
| 2021 | 6.75% | 7.00% | 7.00% | 142,169,302 | 19,198,614 | - | - | 1,873,197 | 116.8% |
| 2022 | 6.75% | 7.00% | 7.00% | 133,270,848 | 18,702,209 | - | - | 1,570,677 | 119.8% |
| 2023 | 6.75% | 7.00% | 7.00% | 123,978,721 | 17,834,076 | - | - | 1,302,682 | 123.5% |
| 2024 | 6.75% | 7.00% | 7.00% | 114,700,021 | 16,196,506 | 2,276,993 | - | 1,077,407 | 128.4% |
| 2025 | 6.75% | 7.00% | 7.00% | 103,871,944 | 14,863,582 | 2,723,007 | - | 850,309 | 131.5% |
| 2026 | 6.75% | 7.00% | 7.00% | 93,017,321 | 13,836,041 | - | - | 638,205 | 134.5% |
| 2027 | 6.75% | 7.00% | 7.00% | 85,207,301 | 12,889,757 | - | - | 488,272 | 142.9% |
| 2028 | 6.75% | 7.00% | 7.00% | 77,720,208 | 11,692,222 | - | - | 352,392 | 154.5% |
| 2029 | 6.75% | 7.00% | 7.00% | 70,861,053 | 10,623,813 | - | - | 234,502 | 170.8% |
| 2030 | 6.75% | 7.00% | 7.00% | 64,553,584 | 9,805,686 | - | - | 114,891 | 195.1% |
| 2031 | 6.75% | 7.00% | 7.00% | 58,566,028 | 9,099,732 | - | - | 13,539 | 235.0% |
| 2032 | 6.75% | 7.00% | 7.00% | 52,819,724 | 7,000,561 | - | - | - | 312.6% |
| 2033 | 6.75% | 7.00% | 7.00% | 48,911,956 | 5,154,732 | - | - | - | 462.9% |
| 2034 | 6.75% | 7.00% | 7.00% | 46,710,837 | 3,555,502 | - | - | - | 808.6% |
| 2035 | 6.75% | 7.00% | 7.00% | 46,068,320 | 1,892,319 | - | - | - | 1942.7% |
| 2036 | 6.75% | 7.00% | 7.00% | 47,157,881 | 511,316 | - | - | - | 9222.8% |

* Beginning of year.

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 Tuition Increases -100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 6.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 6.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 168,192,614 |
| Present Value of Future Contract Payments | \$ 32,192,694 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (26,478,759) |
| Funded Status | 115.74% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Comm. Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 6.75% | n/a | n/a | 162,478,679 | 14,451,947 | - | - | 7,282,815 | 115.7% |
| 2015 | 6.75% | 0.00% | 0.00% | 165,792,942 | 15,143,864 | - | - | 6,202,683 | 117.2% |
| 2016 | 6.75% | 8.00% | 8.00% | 167,439,254 | 16,981,425 | - | - | 5,448,343 | 119.0% |
| 2017 | 6.75% | 8.00% | 8.00% | 166,429,839 | 18,700,482 | - | - | 4,571,805 | 121.2% |
| 2018 | 6.75% | 5.00% | 5.00% | 162,581,490 | 18,503,336 | 1,141,736 | - | 3,562,009 | 124.2% |
| 2019 | 6.75% | 5.00% | 5.00% | 156,387,070 | 17,994,737 | 3,728,821 | - | 2,431,337 | 126.9% |
| 2020 | 6.75% | 5.00% | 5.00% | 146,348,752 | 18,430,944 | 129,444 | - | 2,179,370 | 127.9% |
| 2021 | 6.75% | 5.00% | 5.00% | 138,740,556 | 17,809,802 | - | - | 1,873,197 | 132.8% |
| 2022 | 6.75% | 5.00% | 5.00% | 131,093,219 | 17,026,132 | - | - | 1,570,677 | 139.1% |
| 2023 | 6.75% | 5.00% | 5.00% | 123,443,313 | 15,933,268 | - | - | 1,302,682 | 147.3% |
| 2024 | 6.75% | 5.00% | 5.00% | 116,157,586 | 14,200,816 | - | - | 1,077,407 | 158.0% |
| 2025 | 6.75% | 5.00% | 5.00% | 109,988,985 | 12,788,934 | - | - | 850,309 | 171.4% |
| 2026 | 6.75% | 5.00% | 5.00% | 104,668,759 | 11,682,091 | - | - | 638,205 | 188.6% |
| 2027 | 6.75% | 5.00% | 5.00% | 99,944,552 | 10,679,534 | - | - | 488,272 | 211.8% |
| 2028 | 6.75% | 5.00% | 5.00% | 95,811,637 | 9,505,885 | - | - | 352,392 | 244.0% |
| 2029 | 6.75% | 5.00% | 5.00% | 92,507,569 | 8,475,105 | - | - | 234,502 | 289.6% |
| 2030 | 6.75% | 5.00% | 5.00% | 89,954,986 | 7,674,836 | - | - | 114,891 | 357.7% |
| 2031 | 6.75% | 5.00% | 5.00% | 87,956,706 | 6,987,517 | - | - | 13,539 | 470.7% |
| 2032 | 6.75% | 5.00% | 5.00% | 86,449,063 | 5,274,918 | - | - | - | 692.0% |
| 2033 | 6.75% | 5.00% | 5.00% | 86,653,400 | 3,811,487 | - | - | - | 1124.7% |
| 2034 | 6.75% | 5.00% | 5.00% | 88,433,742 | 2,579,852 | - | - | - | 2128.1% |
| 2035 | 6.75% | 5.00% | 5.00% | 91,649,028 | 1,347,392 | - | - | - | 5448.6% |
| 2036 | 6.75% | 5.00% | 5.00% | 96,396,997 | 357,268 | - | - | - | 26981.7% |

* Beginning of year.

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 Investment Return +100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 7.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 7.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 163,786,720 |
| Present Value of Future Contract Payments | \$ 31,160,559 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (29,852,518) |
| Funded Status | 118.23% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Comm. Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 7.75% | n/a | n/a | 162,478,679 | 14,395,980 | - | - | 7,248,942 | 118.2% |
| 2015 | 7.75% | 0.00% | 0.00% | 167,369,843 | 15,085,167 | - | - | 6,173,833 | 120.0% |
| 2016 | 7.75% | 8.00% | 8.00% | 170,739,044 | 16,915,680 | - | - | 5,423,001 | 122.0% |
| 2017 | 7.75% | 8.00% | 8.00% | 171,587,959 | 18,628,236 | 1,965,661 | - | 4,550,541 | 124.7% |
| 2018 | 7.75% | 6.00% | 6.00% | 167,599,308 | 18,605,470 | 3,034,339 | - | 3,545,441 | 126.7% |
| 2019 | 7.75% | 6.00% | 6.00% | 161,091,574 | 18,266,494 | - | - | 2,420,028 | 128.3% |
| 2020 | 7.75% | 6.00% | 6.00% | 156,501,605 | 18,886,613 | - | - | 2,169,233 | 132.7% |
| 2021 | 7.75% | 6.00% | 6.00% | 150,617,502 | 18,423,116 | - | - | 1,864,484 | 138.6% |
| 2022 | 7.75% | 6.00% | 6.00% | 144,448,433 | 17,779,589 | - | - | 1,563,372 | 146.0% |
| 2023 | 7.75% | 6.00% | 6.00% | 138,170,213 | 16,796,297 | - | - | 1,296,623 | 155.7% |
| 2024 | 7.75% | 6.00% | 6.00% | 132,177,506 | 15,111,980 | - | - | 1,072,396 | 168.2% |
| 2025 | 7.75% | 6.00% | 6.00% | 127,293,611 | 13,738,886 | - | - | 846,354 | 183.9% |
| 2026 | 7.75% | 6.00% | 6.00% | 123,267,163 | 12,669,454 | - | - | 635,237 | 204.2% |
| 2027 | 7.75% | 6.00% | 6.00% | 119,853,499 | 11,692,550 | - | - | 486,001 | 231.4% |
| 2028 | 7.75% | 6.00% | 6.00% | 117,067,088 | 10,506,908 | - | - | 350,753 | 269.3% |
| 2029 | 7.75% | 6.00% | 6.00% | 115,196,531 | 9,457,208 | - | - | 233,411 | 322.8% |
| 2030 | 7.75% | 6.00% | 6.00% | 114,185,621 | 8,646,603 | - | - | 114,356 | 402.8% |
| 2031 | 7.75% | 6.00% | 6.00% | 113,841,510 | 7,948,235 | - | - | 13,476 | 535.4% |
| 2032 | 7.75% | 6.00% | 6.00% | 114,114,525 | 6,057,441 | - | - | - | 795.4% |
| 2033 | 7.75% | 6.00% | 6.00% | 116,431,508 | 4,418,598 | - | - | - | 1303.5% |
| 2034 | 7.75% | 6.00% | 6.00% | 120,693,910 | 3,019,267 | - | - | - | 2481.5% |
| 2035 | 7.75% | 6.00% | 6.00% | 126,794,428 | 1,591,905 | - | - | - | 6380.0% |
| 2036 | 7.75% | 6.00% | 6.00% | 134,905,719 | 426,122 | - | - | - | 31658.9% |

* Beginning of year.

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 Investment Return -100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 5.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 5.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|----------------|
| Present Value of future tuition and fees | \$ 186,196,207 |
| Present Value of Future Contract Payments | \$ 33,298,469 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (9,580,941) |
| Funded Status | 105.15% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 5.75% | n/a | n/a | 162,478,679 | 14,508,716 | - | - | 7,317,169 | 105.1% |
| 2015 | 5.75% | 0.00% | 0.00% | 164,216,142 | 15,203,402 | - | - | 6,231,941 | 105.6% |
| 2016 | 5.75% | 8.00% | 8.00% | 164,171,250 | 17,048,112 | - | - | 5,474,043 | 106.1% |
| 2017 | 5.75% | 8.00% | 8.00% | 161,371,518 | 18,773,763 | - | - | 4,593,370 | 106.7% |
| 2018 | 5.75% | 6.00% | 6.00% | 155,654,615 | 18,750,633 | - | - | 3,578,811 | 107.6% |
| 2019 | 5.75% | 6.00% | 6.00% | 148,560,553 | 18,408,841 | - | - | 2,442,806 | 108.6% |
| 2020 | 5.75% | 6.00% | 6.00% | 140,218,702 | 19,033,783 | - | - | 2,189,650 | 109.8% |
| 2021 | 5.75% | 6.00% | 6.00% | 130,468,607 | 18,566,669 | - | - | 1,882,033 | 111.5% |
| 2022 | 5.75% | 6.00% | 6.00% | 120,326,549 | 17,918,117 | - | - | 1,578,086 | 113.5% |
| 2023 | 5.75% | 6.00% | 6.00% | 109,965,743 | 16,927,157 | - | - | 1,308,827 | 116.1% |
| 2024 | 5.75% | 6.00% | 6.00% | 99,772,389 | 15,229,715 | - | - | 1,082,489 | 119.4% |
| 2025 | 5.75% | 6.00% | 6.00% | 90,548,610 | 13,845,916 | - | - | 854,320 | 123.5% |
| 2026 | 5.75% | 6.00% | 6.00% | 82,016,542 | 12,768,141 | 1,642,245 | - | 641,216 | 128.8% |
| 2027 | 5.75% | 6.00% | 6.00% | 72,171,596 | 11,783,620 | 3,357,755 | - | 490,575 | 132.7% |
| 2028 | 5.75% | 6.00% | 6.00% | 60,828,242 | 10,588,735 | - | - | 354,054 | 133.9% |
| 2029 | 5.75% | 6.00% | 6.00% | 53,502,691 | 9,530,851 | - | - | 235,608 | 144.0% |
| 2030 | 5.75% | 6.00% | 6.00% | 46,749,376 | 8,713,921 | - | - | 115,433 | 159.1% |
| 2031 | 5.75% | 6.00% | 6.00% | 40,344,564 | 8,010,104 | - | - | 13,603 | 183.9% |
| 2032 | 5.75% | 6.00% | 6.00% | 34,208,077 | 6,104,591 | - | - | - | 232.1% |
| 2033 | 5.75% | 6.00% | 6.00% | 29,719,437 | 4,452,991 | - | - | - | 325.6% |
| 2034 | 5.75% | 6.00% | 6.00% | 26,719,266 | 3,042,768 | - | - | - | 540.5% |
| 2035 | 5.75% | 6.00% | 6.00% | 25,037,897 | 1,604,296 | - | - | - | 1245.4% |
| 2036 | 5.75% | 6.00% | 6.00% | 24,781,034 | 429,439 | - | - | - | 5770.6% |

* Beginning of year.

Nevada Pre-Paid Tuition Program

Projection Based on June 30, 2013 Tuition Increases +100 Basis Points & Investment Return -100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 5.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 5.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|----------------|
| Present Value of future tuition and fees | \$ 193,692,750 |
| Present Value of Future Contract Payments | \$ 33,298,469 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (2,084,398) |
| Funded Status | 101.08% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 5.75% | n/a | n/a | 162,478,679 | 14,508,716 | - | - | 7,317,169 | 101.1% |
| 2015 | 5.75% | 0.00% | 0.00% | 164,216,142 | 15,203,402 | - | - | 6,231,941 | 101.2% |
| 2016 | 5.75% | 8.00% | 8.00% | 164,171,250 | 17,048,112 | - | - | 5,474,043 | 101.3% |
| 2017 | 5.75% | 8.00% | 8.00% | 161,371,518 | 18,773,763 | - | - | 4,593,370 | 101.4% |
| 2018 | 5.75% | 7.00% | 7.00% | 155,654,615 | 18,925,512 | - | - | 3,578,811 | 101.6% |
| 2019 | 5.75% | 7.00% | 7.00% | 148,375,618 | 18,755,861 | - | - | 2,442,806 | 101.8% |
| 2020 | 5.75% | 7.00% | 7.00% | 139,656,160 | 19,574,688 | - | - | 2,189,650 | 102.0% |
| 2021 | 5.75% | 7.00% | 7.00% | 129,301,712 | 19,273,650 | - | - | 1,882,033 | 102.3% |
| 2022 | 5.75% | 7.00% | 7.00% | 118,344,925 | 18,775,299 | - | - | 1,578,086 | 102.7% |
| 2023 | 5.75% | 7.00% | 7.00% | 106,963,705 | 17,903,770 | - | - | 1,308,827 | 103.2% |
| 2024 | 5.75% | 7.00% | 7.00% | 95,564,966 | 16,259,799 | - | - | 1,082,489 | 103.8% |
| 2025 | 5.75% | 7.00% | 7.00% | 85,009,946 | 14,921,661 | - | - | 854,320 | 104.6% |
| 2026 | 5.75% | 7.00% | 7.00% | 75,021,805 | 13,890,099 | - | - | 641,216 | 105.6% |
| 2027 | 5.75% | 7.00% | 7.00% | 65,324,864 | 12,940,114 | - | - | 490,575 | 106.9% |
| 2028 | 5.75% | 7.00% | 7.00% | 55,915,656 | 11,737,896 | - | - | 354,054 | 108.8% |
| 2029 | 5.75% | 7.00% | 7.00% | 47,092,394 | 10,665,309 | - | - | 235,608 | 111.3% |
| 2030 | 5.75% | 7.00% | 7.00% | 38,770,798 | 9,843,980 | - | - | 115,433 | 115.1% |
| 2031 | 5.75% | 7.00% | 7.00% | 30,712,181 | 9,135,262 | - | - | 13,603 | 121.3% |
| 2032 | 5.75% | 7.00% | 7.00% | 22,831,977 | 7,027,895 | 197,207 | - | - | 133.3% |
| 2033 | 5.75% | 7.00% | 7.00% | 16,504,270 | 5,174,858 | 1,516,807 | - | - | 154.5% |
| 2034 | 5.75% | 7.00% | 7.00% | 10,376,829 | 3,569,384 | 2,846,301 | - | - | 178.1% |
| 2035 | 5.75% | 7.00% | 7.00% | 4,188,910 | 1,899,708 | 439,684 | - | - | 175.6% |
| 2036 | 5.75% | 7.00% | 7.00% | 1,955,865 | 513,312 | - | - | - | 381.0% |

* Beginning of year.

Nevada Pre-Paid Tuition Program

Projection Based on June 30, 2013 Tuition Increases -100 Basis Points & Investment Return +100 Basis Points

| Input | |
|---|-------|
| Valuation | |
| Assumed Rate of Investment Return | 7.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 7.75% |
| Annual Contribution from NCSTF | - |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 158,236,914 |
| Present Value of Future Contract Payments | \$ 31,160,559 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (35,402,324) |
| Funded Status | 122.37% |
| Year insolvent | Never |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 7.75% | n/a | n/a | 162,478,679 | 14,395,980 | - | - | 7,248,942 | 122.4% |
| 2015 | 7.75% | 0.00% | 0.00% | 167,369,843 | 15,085,167 | 2,297,517 | - | 6,173,833 | 124.6% |
| 2016 | 7.75% | 8.00% | 8.00% | 168,263,470 | 16,915,680 | 2,702,483 | - | 5,423,001 | 125.6% |
| 2017 | 7.75% | 8.00% | 8.00% | 166,008,602 | 18,628,236 | - | - | 4,550,541 | 126.8% |
| 2018 | 7.75% | 5.00% | 5.00% | 163,705,551 | 18,431,941 | - | - | 3,545,441 | 130.8% |
| 2019 | 7.75% | 5.00% | 5.00% | 160,352,528 | 17,925,387 | - | - | 2,420,028 | 135.7% |
| 2020 | 7.75% | 5.00% | 5.00% | 156,072,824 | 18,359,918 | - | - | 2,169,233 | 141.6% |
| 2021 | 7.75% | 5.00% | 5.00% | 150,723,006 | 17,741,171 | - | - | 1,864,484 | 149.4% |
| 2022 | 7.75% | 5.00% | 5.00% | 145,296,909 | 16,960,525 | - | - | 1,563,372 | 159.4% |
| 2023 | 7.75% | 5.00% | 5.00% | 139,966,987 | 15,871,876 | - | - | 1,296,623 | 172.3% |
| 2024 | 7.75% | 5.00% | 5.00% | 135,109,594 | 14,146,099 | - | - | 1,072,396 | 189.3% |
| 2025 | 7.75% | 5.00% | 5.00% | 131,493,672 | 12,739,661 | - | - | 846,354 | 210.7% |
| 2026 | 7.75% | 5.00% | 5.00% | 128,869,393 | 11,637,087 | - | - | 635,237 | 238.4% |
| 2027 | 7.75% | 5.00% | 5.00% | 127,002,277 | 10,638,397 | - | - | 486,001 | 275.7% |
| 2028 | 7.75% | 5.00% | 5.00% | 125,905,747 | 9,469,272 | - | - | 350,753 | 327.9% |
| 2029 | 7.75% | 5.00% | 5.00% | 125,838,238 | 8,442,467 | - | - | 233,411 | 402.0% |
| 2030 | 7.75% | 5.00% | 5.00% | 126,745,444 | 7,645,286 | - | - | 114,356 | 513.1% |
| 2031 | 7.75% | 5.00% | 5.00% | 128,453,640 | 6,960,619 | - | - | 13,476 | 698.1% |
| 2032 | 7.75% | 5.00% | 5.00% | 130,923,251 | 5,254,613 | - | - | - | 1061.9% |
| 2033 | 7.75% | 5.00% | 5.00% | 135,407,958 | 3,796,815 | - | - | - | 1776.4% |
| 2034 | 7.75% | 5.00% | 5.00% | 141,811,006 | 2,569,921 | - | - | - | 3440.2% |
| 2035 | 7.75% | 5.00% | 5.00% | 150,032,269 | 1,342,205 | - | - | - | 8970.5% |
| 2036 | 7.75% | 5.00% | 5.00% | 160,213,544 | 355,893 | - | - | - | 45017.4% |

* Beginning of year.

Nevada Pre-Paid Tuition Program
Projection Based on June 30, 2013 with 1.8 Million Contribution from NCSTF

| Input | |
|---|-----------|
| Valuation | |
| Assumed Rate of Investment Return | 6.75% |
| Geometric Average of Actual Rates of Investment Returns Entered in Column D | 6.75% |
| Annual Contribution from NCSTF | 1,800,000 |

| Estimated Valuation Results | |
|---|-----------------|
| Present Value of future tuition and fees | \$ 174,398,518 |
| Present Value of Future Contract Payments | \$ 32,192,694 |
| June 30, 2013 Assets | \$ 162,478,679 |
| Unfunded Liability | \$ (20,272,855) |
| Funded Status | 111.62% |
| Year insolvent | Never |
| Adjusted Funded Status # | 122.77% |

| Fiscal Year | Actual Investment Return During Year | Actual Tuition Increase for Universities | Actual Tuition Increase for Comm. Colleges/CC | Market Value of Assets at BOY | Projected Tuition Payments & Refunds (BOY)* | Repayment of Endowment Fund | Additional Transfers from NCSTF (EOY) | Projected Contract Payments (BOY) | Projected Funded Status |
|-------------|--------------------------------------|--|---|-------------------------------|---|-----------------------------|---------------------------------------|-----------------------------------|-------------------------|
| 2014 | 6.75% | n/a | n/a | 162,478,679 | 14,451,947 | - | 1,800,000 | 7,282,815 | 111.6% |
| 2015 | 6.75% | 0.00% | 0.00% | 167,592,942 | 15,143,864 | - | 1,800,000 | 6,202,683 | 113.7% |
| 2016 | 6.75% | 8.00% | 8.00% | 171,160,754 | 16,981,425 | - | 1,800,000 | 5,448,343 | 116.1% |
| 2017 | 6.75% | 8.00% | 8.00% | 172,202,540 | 18,700,482 | - | 1,800,000 | 4,571,805 | 119.1% |
| 2018 | 6.75% | 6.00% | 6.00% | 170,543,848 | 18,677,535 | - | 1,800,000 | 3,562,009 | 122.9% |
| 2019 | 6.75% | 6.00% | 6.00% | 167,719,734 | 18,337,161 | 2,638,340 | 1,800,000 | 2,431,337 | 127.4% |
| 2020 | 6.75% | 6.00% | 6.00% | 161,044,920 | 18,959,675 | 2,361,660 | 1,800,000 | 2,179,370 | 130.7% |
| 2021 | 6.75% | 6.00% | 6.00% | 153,281,405 | 18,494,382 | - | 1,800,000 | 1,873,197 | 135.4% |
| 2022 | 6.75% | 6.00% | 6.00% | 147,684,785 | 17,848,360 | - | 1,800,000 | 1,570,677 | 143.6% |
| 2023 | 6.75% | 6.00% | 6.00% | 142,077,082 | 16,861,262 | - | 1,800,000 | 1,302,682 | 154.2% |
| 2024 | 6.75% | 6.00% | 6.00% | 136,858,501 | 15,170,429 | - | 1,800,000 | 1,077,407 | 168.1% |
| 2025 | 6.75% | 6.00% | 6.00% | 132,852,149 | 13,792,021 | - | 1,800,000 | 850,309 | 185.7% |
| 2026 | 6.75% | 6.00% | 6.00% | 129,804,392 | 12,718,446 | - | 1,800,000 | 638,205 | 208.6% |
| 2027 | 6.75% | 6.00% | 6.00% | 127,470,531 | 11,737,761 | - | 1,800,000 | 488,272 | 239.4% |
| 2028 | 6.75% | 6.00% | 6.00% | 125,865,962 | 10,547,530 | - | 1,800,000 | 352,392 | 282.4% |
| 2029 | 6.75% | 6.00% | 6.00% | 125,278,605 | 9,493,768 | - | 1,800,000 | 234,502 | 343.5% |
| 2030 | 6.75% | 6.00% | 6.00% | 125,650,644 | 8,680,023 | - | 1,800,000 | 114,891 | 435.0% |
| 2031 | 6.75% | 6.00% | 6.00% | 126,788,784 | 7,978,949 | - | 1,800,000 | 13,539 | 587.1% |
| 2032 | 6.75% | 6.00% | 6.00% | 128,643,952 | 6,080,848 | - | 1,800,000 | - | 884.8% |
| 2033 | 6.75% | 6.00% | 6.00% | 132,636,113 | 4,435,672 | - | 1,800,000 | - | 1469.0% |
| 2034 | 6.75% | 6.00% | 6.00% | 138,653,971 | 3,030,933 | - | - | - | 2827.8% |
| 2035 | 6.75% | 6.00% | 6.00% | 144,777,592 | 1,598,056 | - | - | - | 7243.3% |
| 2036 | 6.75% | 6.00% | 6.00% | 152,844,155 | 427,769 | - | - | - | 35730.6% |

* Beginning of year.

Includes PV of contributions from NCSTF for next 20 years (through 2033).